

Retirement Planning Information For Placer County Employees

This document is available from Placer County's shared access
V-drive in: V:\Personnel \Retirement Information

It is also available from your Department Personnel Liaison and
the Placer County Personnel Department at 530-889-4060

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The following is important information for you to consider regarding your retirement. While reading this material, remember that Placer County contracts with CalPERS for your retirement benefits. Your retirement benefits are determined by the Placer County contract with CalPERS and governed by the California Public Employee's Retirement Law. The following is general information. CalPERS contract provisions and The Retirement Law are complex and subject to change. If there is a conflict between the CalPERS contract and/or The Retirement Law and this information, any decisions will be based upon the law and not this information.

Retirement Information Resources

Publications You Can Request

Several publications are available to you from CalPERS or the Placer County Personnel Department, these include:

■ *“A Guide to Completing Your CalPERS Service Retirement Elections Application”* This publication has step-by-step instructions and the necessary forms to apply for a Service Retirement.

■ *“A Guide to Your CalPERS Service Credit Purchase Options”* This publication has information about options available for purchasing additional Service Credit. If you worked for other public agencies with CalPERS retirement benefits and withdrew CalPERS contributions when you left; took time off after the birth or adoption of a child (Maternity/Paternity Leave); worked as Extra Help or served in active military duty, you may be eligible to purchase Service Credit. This publication also includes the request forms necessary to get an estimate on the costs and applications to begin the process. At this time this publication does not have information on Additional Retirement Service Credit (ARSC or “Air Time”). Information on purchasing Additional Retirement Service Credit is available on the CalPERS website www.calpers.ca.gov and on the County's shared access V-drive in: V:\Personnel\Benefits\Retirement.

You can request these publications by contacting CalPERS at 888-CalPERS (225-7377), downloading or ordering from the CalPERS website at www.calpers.ca.gov, or by calling the Placer County Personnel Department at 530-889-4060.

Workshops You Can Attend

CalPERS offers several free workshops you can attend to help you plan for your retirement. These workshops are offered at the Sacramento CalPERS office. These workshops include information on:

- How retirement benefits are calculated
- Planning your retirement
- Completing your retirement application
- What to consider when deciding the best date to retire
- Benefit options available at retirement
- Taxability of retirement benefits
- Financial Planning
- Retirement application process
- CalPERS medical benefits
- Post retirement issues
- Retirement readiness
- Retiree security

If you are more than 10 years away from retirement you should attend the workshop: ***Achieving Financial Security.***

If you are 10 or fewer years away from retirement you should attend the workshop: ***Retirement and Estate Planning.***

CalPERS also offers the ***Retirement Planning Workshop***, a two-hour workshop for employees who are approximately six months from retirement. This workshop is periodically conducted in the Auburn area.

It's easy to register; a schedule of classes is available at www.calpers.ca.gov. You can choose a workshop, location and date that are best for you, and then you can register by:

- Calling 1-888-225-7377
- Registering on-line at www.calpers.ca.gov

CalPERS website: www.calpers.ca.gov

CalPERS web site, www.calpers.ca.gov has additional information and tools to assist you in your retirement planning, including:

■ **Retirement Planning Calculator**

You can use the Retirement Planning Calculator to get an on-line and printable estimate of your potential retirement benefits based on your planned retirement date, your salary and other factors. Using the on-line Retirement Planning Calculator you can do several different estimates; changing factors such as your planned retirement date and changes in your salary.

■ **Service Credit Cost Calculator**

You can use the Service Credit Cost Calculator to get an on-line and printable estimate of the cost of buying additional Service Credit you may qualify for if you worked for other public agencies with CalPERS retirement benefits and withdrew CalPERS contributions when you left; took time off after the birth or adoption of a child (Maternity/Paternity Leave); worked as Extra Help or served in active military duty.

■ **Publications Library**

You can download or request copies of all of the CalPERS publications, forms and retirement planning information.

Contact CalPERS by Telephone

You can contact CalPERS with any questions you have or to request publications at 888-CalPERS (225-7377). Phone representatives are available 8:00 a.m. to 5:00 p.m., Monday through Friday. A 24-hour message service allows you to leave a message to have a CalPERS representative call you or to request forms or publications.

Individual Meetings with a CalPERS Representative

CalPERS has Regional Offices located throughout the State. Staff in these offices can assist you, in person, on any CalPERS program or service. The Sacramento Regional office is closest to Placer County. The address is:

400 Q Street, Room E1820
Lincoln Plaza East
Sacramento, CA 95814
FAX (916) 795-7917

Retirement Allowance Estimates

A CalPERS Retirement Allowance Estimate Request form is included in the booklet *A Guide to Completing Your CalPERS Service Retirement Election Application*. This document is also available by contacting CalPERS 888-CalPERS (225-7377) or ordering from the CalPERS website at www.calpers.ca.gov. You can complete this form to request an estimate of potential future benefit amounts to assist you with your planning. In addition, you can run Retirement Estimates by using the Retirement Planning Calculator and other tools available on the CalPERS web site at www.calpers.ca.gov. Using the on-line Retirement Planning Calculator will allow you to do several different estimates; changing factors such as your planned retirement date and changes in your salary.

Retirement Planning Workshop

*If you are planning to retire **within 6 - 8 months**, and want information on completing the Service Retirement Application, Retirement Payment Options, and other options you should attend the workshop: **Stepping Into Retirement**. To register for a workshop call CalPERS at 888-225-7377 for class schedules and locations along with enrollment information. Please note you must use your leave balances to attend these classes if the class you select is during your normal working hours. You can also go to: www.calpers.ca.gov then Members/Members Education/Planning Your Retirement to take an online CalPERS retirement class.*

Prior to attending the workshop you should review the information in this document *“Retirement Planning Information for Placer County Employees”*. In addition, you will need to bring the following information with you to the workshop:

- Your current (as of the end of the last Pay Period before the workshop) **accrued CTE, Management Leave, Vacation Leave, holiday credit and Sick Leave balance**. You can find this on the detailed information attached to your regular paycheck.
- Your **current monthly rate of pay**. Your CalPERS monthly compensation includes your base rate of pay and some special compensation. To estimate your CalPERS monthly compensation, take your hourly base pay rate and multiply by 173.333 for your monthly base pay (assuming an 80 hour pay period). Add the monthly amount of any additional CalPERS reported compensation. This includes: shift differential, POST educational incentives, uniform allowance, Tahoe subsidy, management EPMC and other Safety differentials (e.g., bomb squad). This does NOT include overtime, CTE or Management Leave cash-outs. It also does NOT include management supplemental compensation, Tahoe Rural Health subsidy or stand-by pay.
- Your **CalPERS Service Credit**. This information is found on the annual Member Statement you receive from CalPERS each October/November.
- Your planned **retirement date**.

So that you get the most from the workshop, CalPERS recommends that prior to the workshop you go to their web site, www.calpers.ca.gov to review the additional information and tools available to assist you in your retirement planning. It is recommended that you use the Retirement Planning Calculator to get an on-line and printable estimate of your potential retirement benefits based on your planned retirement date, your salary and other factors.

Managed Health Network (MHN - Employee Assistance Program)

Placer County employees are eligible to participate in the MHN (Employee Assistance Program). MHN offers many services including face to face and telephonic counseling; advice for legal concerns, financial issues and tax consultation. MHN also offer pre-retirement planning focusing on the financial and personal lifestyle concerns you should consider in planning for your retirement. You can contact MHN at 800-242-6220 or on line at www.members.MHN.com . Use access code: placercounty.

CalPERS Retirement Overview

Eligibility

You must have at least five (5) years of service with the California Public Employees Retirement System (CalPERS) and be at least age fifty (50) to retire.

Applying for Service Retirement

Approximately four months before you retire, you should get the publication: “*A Guide to Completing Your CalPERS Service Retirement Elections Application.*” This publication has step-by-step instructions and the necessary forms to apply for a Service Retirement and also instructs you to include copies of certain documents (e.g., your beneficiaries’ birth certificate and your marriage certificate).

You will complete the Retirement Application forms including your selection of a Retirement Payment Option, beneficiary information, and tax withholding information and have the appropriate forms notarized. You will also need to include the birth certificate of your beneficiary and a copy of your marriage certification if applicable.

These materials should be mailed to CalPERS no sooner than 90 days prior to your retirement date. **Therefore, it is important to make sure you have the completed Retirement Application forms to the CalPERS three months in advance of your anticipated retirement date.**

You should receive an acknowledgement letter from CalPERS 5-10 days after CalPERS receives your Retirement Application. After your Retirement Application is processed you will receive a letter notifying you of when you will receive your first monthly retirement allowance and the amount you will receive.

Please note it often takes CalPERS 120-240 days (or more) after your retirement date to process final payroll information including Sick Leave Conversion to Service Credit and special compensation calculations. This may result in an adjustment to the amount of your monthly retirement allowance, and therefore you could receive a retroactive adjustment to your monthly retirement allowance.

You should receive notification from CalPERS approximately 4-9 months after your retirement date, notifying you of any change in calculation, and a retroactive payment, if any. Please plan your finances to account for the delay in receiving the correct monthly retirement allowance. You will need to work directly with CalPERS regarding any adjustments and/or changes in calculation of monthly retirement allowances.

Applying for Disability Retirement

If you are applying for a Disability Retirement, you should contact CalPERS or the Placer County Personnel Department for assistance.

Retirement Allowance Calculation

CalPERS will calculate your monthly retirement allowance using three factors: Service Credit, the Benefit Factor(s), and your Adjusted Final Compensation. You should consider all of these factors in determining your retirement date.

$$\text{Service Credit} \times \text{Benefit Factor} \times \text{Adjusted Final Compensation} = \text{Unmodified Pension / Allowance}$$

Service Credit

You earn service credit for each year or partial year you work for a CalPERS-covered employer. It accumulates on a fiscal year basis, July 1 through June 30.

To earn a full year of service credit during a fiscal year, you must work at least:

- Hourly pay employees - 1,720 hours
- Daily pay employees - 215 days
- Monthly pay employees - 10 months full-time

Service credit for CalPERS retirement purposes is different than seniority hours used by Placer County for other benefits.

Please note, Military Service Credit and Additional Retirement Service Credit time **do not count** toward the five (5) years of Service Credit necessary for retirement; in order to retire with CalPERS benefits, you would need five (5) years of “earned” Service Credit with a CalPERS agency. Military Service Credit is then added on in determining your benefits.

Benefit Factors

The Benefit Factor is the percent of pay to which you are entitled for each year of Service Credit. Placer County employees are covered under several different retirement formulas depending on job classification and hire date:

Hired Before March 12, 2011

- CalPERS Local Miscellaneous 2.5% @ 55
- CalPERS Local Safety 3% @ 50

Hired On or After March 12, 2011

- CalPERS Local Miscellaneous 2% @ 55
- CalPERS Local Safety 3% @ 55

Hired on or after January 1, 2013

- CalPERS Local Miscellaneous 2.0% @ 62
- CalPERS Local Safety 2.7% @ 57

Classic employees as defined by PEPRA prior to 1/1/2013

- CalPERS Local Safety 3% @ 55
- CalPERS Local Miscellaneous 2% @ 55

Benefit tables can be found in the publications “*Your Benefits Your Future Local Benefits*” and “*Your Benefits Your Future Local Safety*” by contacting CalPERS at 888-CalPERS (225-7377), downloading or ordering the publication from the CalPERS website at www.calpers.ca.gov. A copy can also be found in the County’s shared access V-drive in: V:\Personnel\Benefits\Retirement Information or by calling the Placer County Personnel Department at 530-889-4060.

(Contact Personnel to determine what benefit factor/s may apply to you.)

General information about these formulas is provided below. Benefit tables can be found in the publications “*Local Miscellaneous Benefits*” and “*Local Safety Benefits*” available by contacting CalPERS at 888-CalPERS (225-7377), downloading or ordering the publication from the CalPERS website at www.calpers.ca.gov. A copy can also be found in the County’s shared access V-drive in: V:\Personnel\Retirement or by calling the Placer County Personnel Department at 530-889-4060.

Placer County Miscellaneous Benefit Factors

The CalPERS Local Miscellaneous Benefit Factor is based on your retirement formula and your birth date. The following is a sample of different retirement allowances under the CalPERS Local Miscellaneous formulas:

The Benefit Factor increases every complete quarter (3 months) after your birth date until the maximum age factor is reached at age for the formula.

SAMPLE BIRTHDAY QUARTER CHART
CalPERS Local Miscellaneous 2.5% @ 55 formula

Birthday Quarters	Birthday	Add 3 months	Add 3 months	Add 3 months
	September 1	December 1	March 1	June 1
Age at Retirement ↓	Birthday Benefit Factor	$\frac{1}{4}$ year Birthday Benefit Factor	$\frac{1}{2}$ year Birthday Benefit Factor	$\frac{3}{4}$ year Birthday Benefit Factor
50	2.000%	2.025%	2.050%	2.075%
51	2.100%	2.125%	2.150%	2.175%
52	2.200%	2.225%	2.250%	2.275%
53	2.300%	2.325%	2.350%	2.375%
54	2.400%	2.425%	2.450%	2.475%
55+	2.500%	2.500%	2.500%	2.500%

SAMPLE BIRTHDAY QUARTER CHART
CalPERS Local Miscellaneous 2% @ 55 formula
(*See CalPERS Local Miscellaneous Benefit Booklet for Additional Factors)

Birthday Quarters	Birthday	Add 3 months	Add 3 months	Add 3 months
	September 1	December 1	March 1	June 1
Age at Retirement ↓	Birthday Benefit Factor	$\frac{1}{4}$ year Birthday Benefit Factor	$\frac{1}{2}$ year Birthday Benefit Factor	$\frac{3}{4}$ year Birthday Benefit Factor
50	1.426%	1.450%	1.474%	1.498%
51	1.522%	1.550%	1.576%	1.602%
52	1.628%	1.656%	1.686%	1.714%
53	1.742%	1.772%	1.804%	1.834%
54	1.866%	1.900%	1.932%	1.966%
55*	2.00%	2.014%	2.026%	2.040%


Placer County Safety Benefit Factor

Employees in a CalPERS defined Safety Classification Hired prior to March 12, 2011 are covered by the CalPERS Local Safety 3% @ 50 formula.

Employees in a CalPERS defined Safety Classification Hired on or after March 12, 2011 are covered by the CalPERS Local Safety 3% @ 55 formula.

The following is a sample of different retirement allowances under the CalPERS Local Safety 3% @ 55 formula:

SAMPLE BIRTHDAY QUARTER CHART
CalPERS Local Safety 3% @ 55 formula

Birthday Quarters	Birthday	Add 3 months	Add 3 months	Add 3 months
	September 1	December 1	March 1	June 1
Age at Retirement 	Birthday Benefit Factor	¼ year Birthday Benefit Factor	½ year Birthday Benefit Factor	¾ year Birthday Benefit Factor
50	2.400%	2.430%	2.460%	2.490%
51	2.520%	2.550%	2.580%	2.610%
52	2.640%	2.670%	2.700%	2.730%
53	2.760%	2.790%	2.820%	2.850%
54	2.880%	2.910%	2.940%	2.970%
55+	3.000%	3.000%	3.000%	3.00%

CalPERS Adjusted Final Compensation

CalPERS will calculate your monthly retirement allowance using your average monthly **pay rate** over a consecutive 12-month period if hired prior to March 12, 2011 or 36-month period if hired on or after March 12, 2011 with Placer County. It is based on the full time pay rate, not earnings. If you work part-time, your Adjusted Final Compensation will be based on a full time pay rate. Normally, the 12 or 36 months prior to your retirement is your highest pay rate. However, there may be instances where this could be a different period of time. If this is the case, you will need to designate the higher 12 or 36 month period on your retirement application.

Your CalPERS monthly compensation includes your base rate of pay and in some cases special compensation. To estimate your CalPERS monthly compensation, take your

hourly base pay rate and multiply by 173.333 for your monthly base pay rate. Add the monthly amount of any additional CalPERS reported compensation. This includes: shift differential, educational incentives, uniform allowance, Tahoe subsidy, other differentials (e.g., bomb squad, ACCESS, etc.) and management EPMC. This does NOT include overtime, CTE or Management Leave cash-outs. It also does NOT include management supplemental compensation, Tahoe Rural Health subsidy or stand-by pay.

For example based on a 12 month calculation:

Base hourly pay rate January - June (6 months)	\$19.00
Base hourly pay rate June - December (6 months)	\$21.00
Average base hourly pay rate for 12 consecutive months	\$20.00
Average hourly base pay rate	\$20.00
Multiplied by 173.333	\$3,466.60
Add Monthly Tahoe Subsistence Pay	\$675.00
Estimated CalPERS monthly compensation	\$3,916.60

For 36 month calculation increase the number of months at each rate.

As a Placer County employee you pay into Social Security and our CalPERS contract coordinates with Social Security. Because of this, CalPERS makes a **one time adjustment**, or offset, of \$133.33 to your monthly CalPERS compensation. This is called your CalPERS “adjusted monthly compensation”. This is the amount that CalPERS uses to determine your monthly retirement allowance.

Using the example above, the adjusted monthly compensation would be:

Highest consecutive 12 month average pay	\$3,916.60
Social Security Offset	<u>-\$133.33</u>
Adjusted monthly salary	\$3,783.27

Note: If you use the Retirement Planning Calculator on the CalPERS web site at www.calpers.ca.gov. The calculator will automatically adjust for the Social Security offset if, when you are asked, “Does your employer coordinate with Social Security?” you select “Yes.”

How a Leave of Absence may Affect your Retirement Benefits

Service Credit

If you are on a leave of absence and receiving pay from Placer County the hours you receive pay for will be counted for your CalPERS Service Credit. Hours you do not receive pay from Placer County are not counted towards accruing CalPERS Service

Credit. In other words, if you do not receive pay from Placer County for 1720 hours in a fiscal year, you will not receive a full year of Service Credit.

Final Adjusted Compensation

If you are on an unpaid leave of absence of up to six months during your period of final compensation, the compensation earnable during that time will be included in the computation for final compensation. If the unpaid leave of absence exceeds six months, only the first six months will be included in the computation. Any time in excess of six months will be excluded from the computation. You must return to a paid status prior to retirement for this to apply. If you do not return to a paid status and go directly to retirement you must notify CalPERS and they will use your last day in paid status, not your last day as an employee as a starting point to determine final compensation.

Service Credit with Other CalPERS Agencies - Benefit Factors

If you have worked for other CalPERS agencies the Service Credit you earned with those agencies will be included on your CalPERS statement and will be used in determining your CalPERS retirement benefits. Your retirement benefit will be based on the Benefit Formula for each agency and your earned Service Credit with that agency. In most cases, the Benefit Formula used is the Benefit Formula in place at the time you terminated employment with that agency. You will need to work with the other CalPERS covered agency and/or CalPERS in determining the appropriate Benefit Formula(s) for your situation.

Reciprocity

If you have service with other public agencies with retirement benefits other than CalPERS, you may be able to coordinate your retirement with these systems. CalPERS has an agreement with many other public retirement systems that allows movement from public employer to public employer, within a specified time limit, without losing valuable retirement rights and related benefits. This is called “reciprocity.”

There is no transfer of funds or service credit between retirement systems when you establish reciprocity. You become a member of **both** systems and are subject to the membership and benefit obligations and rights of each system (for example, minimum retirement age), except as modified by the reciprocity agreement. You must apply to retire from each system separately, and you will receive separate retirement allowances from each system. You must retire on the same date from each public retirement system participating in a reciprocal agreement for all benefits of reciprocity to apply. You will need to contact your former employer for information regarding retirement and reciprocity. The publication, “*When You Change Retirement Systems*” is available from CalPERS with more information regarding reciprocity.

Service Credit Purchases

Military Duty, Maternity/Paternity Leave, Extra Help, Leave of Absence

Employees in certain situations may be eligible to purchase additional Service Credit. These situations include:

- If you worked for other public agencies with CalPERS retirement benefits, and withdrew CalPERS contributions when you left;
- If you took time off after the birth or adoption of a child (Maternity/Paternity Leave);
- If you worked as Extra Help;
- If you served in active military duty;
- You have had a Leave of Absence (limitations apply); and/or

Information on purchasing Additional Service Credit is available on the CalPERS website www.calpers.ca.gov and on the County's shared access V-drive in: V:\Personnel\Benefits\Retirement. This includes a form to request cost information and a worksheet where you can do your own calculations and cost estimates. In order to complete the worksheet you will need the following information:

- Retirement Formula
- The COLA percentage Placer County contracts for: 2%
- Formula Type: Modified
- Final Compensation Period: One year
- Post Survivor Retirement Allowance: Placer County does not contract for this

For any Service Credit purchase you will need to **work directly with CalPERS** to determine the cost and payment options. The publication *A Guide to Your CalPERS Service Credit Options* is available to assist you in determining if this makes sense for your situation. At this time, this publication does not contain information about the "Air Time Service Credit" option. This information must be obtained directly from CalPERS.

Retirement Allowance Options

You have several Retirement Allowance Options and you should carefully review the information in "*Stepping into Retirement, A Guide to Completing Your CalPERS Service Retirement Elections Application*" to determine which Option is best for you and your situation.

You should also carefully read the section below regarding health insurance, as your choice of Retirement Payment Option may impact your dependents eligibility for health care benefits. **In order for your eligible dependent(s) to continue to be eligible to receive health insurance benefits if you should die first, you must select a Retirement Payment Option that provides for a monthly allowance to your beneficiary upon your death (e.g., Option 2, Option 3, etc.)** Following is a brief summary of the different Payment Options. Please refer to the information available from CalPERS for more detailed explanations.

Unmodified Allowance

- The highest monthly allowance you can receive.
- It does not provide a continuing allowance to a beneficiary.
- There is no return of any unused member contributions after your death.
- Surviving dependents/beneficiary are **not** eligible for continuing health insurance.

Option 1

- Reduced monthly allowance.
- Upon your death, any unused member contributions in your account will be paid to your beneficiary in a lump sum.
- Does not provide a continuing allowance to a beneficiary.
- Surviving dependents/beneficiary are **not** eligible for continuing health insurance.

Option 2

- Reduced monthly allowance based on your beneficiary's age.
- Upon your death, your beneficiary will be paid the same retirement allowance you receive, for life.
- Your retirement allowance will increase back to the Unmodified Allowance amount if your beneficiary dies prior to you.
- Surviving dependents/beneficiary are eligible for continuing health insurance.

Option 2W

- Reduced monthly allowance based on your beneficiary's age.
- A slightly higher allowance than Option 2.
- However, your allowance will not increase back to the Unmodified Allowance amount if your beneficiary dies prior to you.
- Surviving dependents/beneficiary are eligible for continuing health insurance.

Option 3

- Reduced monthly allowance based on your beneficiary's age.
- Upon your death, one-half of your monthly retirement allowance will be paid to your beneficiary for life.
- Your retirement allowance will increase back to the Unmodified Allowance amount if your beneficiary dies prior to you.
- Surviving dependents/beneficiary are eligible for continuing health insurance.

Option 3W

- Reduced monthly allowance based on your beneficiary's age.
- A slightly higher allowance than under Option 3.
- However, your allowance will not increase back to the Unmodified Allowance amount under the scenarios shown in Option 3.
- Surviving dependents/beneficiary eligible for continuing health insurance.

Option 4

- Allows you to choose a more customized benefit.
- Certain Situations, e.g.
 - Specific Dollar Amount or Percentage to a Beneficiary.
 - Multiple Beneficiaries.
 - Court Ordered Community Property Settlement.

Contact CalPERS for a copy of *Retirement Option 4* (PERS-PUB-18) for more information about this option.

Temporary Annuity

- An additional monthly income you may choose to enhance your pension from CalPERS.
- It is funded through a permanent lifetime reduction to your retirement allowance.
- Contact CalPERS for a copy of *Temporary Annuity* (PERS-PUB-13) booklet.

Retirement Check

You'll receive your retirement check from CalPERS on or about the first of each month. CalPERS retirement checks, like your Placer County paycheck, are paid in arrears (i.e. you will receive your retirement check for the month of January on or about the first week of February.)

You can choose direct deposit to have your funds electronically transferred to your bank. If you do not elect to have direct deposit at the time you apply for retirement you may do so at a later date by completing the necessary forms available from CalPERS. Typically, it takes one to two months for CalPERS to have your funds electronically transferred and you will receive a check until the transfer is in effect.

Tax Considerations

Your retirement check consists of contributions made by you, Placer County, other agencies if you worked for other CalPERS agencies, and any interest earned. Placer County and employee contributions are pre-tax contributions since 1986; prior to that time contributions were after-tax. The Placer County contributions, as well as the interest earned, are considered taxable income. CalPERS can calculate the contributions that have already been taxed. Please consult with your tax advisor regarding your tax withholding options and considerations.

Cost of Living Adjustments

Cost of Living Adjustments (COLA's) are regulated by CalPERS and are based on the Consumer Price Index (CPI) for all U.S. cities. Depending on CPI, the COLA could be 0% up to a maximum of 2% per year. This benefit is paid after you have been on the CalPERS retirement rolls in two calendar years (not necessarily a full 24 months.) COLA's if applicable, are included beginning with your May 1 retirement check.

Following are examples of how retirement dates effect when you are eligible for a COLA:

Example 1

Retirement Date: December 31, 2015
COLA Effective Date: May 1, **2017**

Example 2

Retirement Date: January 1, 2016
COLA Effective Date: May 1, **2018**

Placer County Information and Benefits

Health Insurance

Retiree Medical Insurance Eligibility

The County contracts with CalPERS for medical insurance for employees, retirees and their eligible dependents. Retirees have the same medical benefit plan choices as active employees, based upon the retiree's residence zip code. CalPERS Health Benefit Services Division is your contact for information regarding your medical insurance benefits after retirement.

In order to be eligible for medical insurance benefits and you were hired before January 1, 2005 you must have five (5) years of CalPERS service and retire within **120 days** of leaving employment with Placer County. If you were hired after January 1, 2005 you must have 10 years of CalPERS service credit with at least 5 years with Placer County to be eligible for a graduated benefit of 50% of the County's contribution and an additional 5% for each additional year of service credit up to 20 years. You must also retire within **120 days** of leaving employment with Placer County.

*If you are enrolled in a medical insurance plan at the time of your retirement, your CalPERS medical plan will **automatically** continue. If you retire more than 30 days, but less than 120 days after separation from employment with Placer County, your medical coverage may not automatically continue*

If you are not enrolled at retirement you can enroll within 60 days of retirement or at any Open Enrollment.

You are **not eligible** to be enrolled at retirement or at any future date, if your effective date of retirement is more than 120 days after separation from employment with Placer County.

Please note Military Service Credit, reciprocity time or Additional Retirement Service Credit (ARSC) **does not** count toward the Service Credit required for Health Insurance benefits in retirement.

You may continue to cover your spouse or registered domestic partner and eligible dependents as a retiree. If your spouse or registered domestic partner and eligible dependents are included in your CalPERS medical plan at the time of your death, their enrollment will be continued automatically if they are eligible to receive a monthly allowance (see Retirement Allowance Section). Non-enrolled surviving family members may be eligible to enroll in a CalPERS medical plan within 60 days of your death or during any Open Enrollment period. Please contact the CalPERS Health Benefit Services Division for more information.

Retiree Medical Insurance Changes

You can make changes to your medical insurance benefits at the following times:

When you retire you can make a change within 60 days of your retirement date. The change will be effective the first of the following month.

When you move you can make a change to your medical insurance 31 days before your move or within 60 days after your move. The change will be effective the first of the following month. You must change to an available insurance program based on your residence zip code if you move out of your current health plan's service area.

You can also make changes at Open Enrollment, which is usually held annually in September or October with the changes effective January 1 of the following year.

Retiree Medical Insurance Costs

For PPEO represented, confidential, management and safety management employees the County's "*employer contribution*" for medical insurance premiums for employees retiring is based on the same share as the County's contribution for active employees, currently based on the 80/20 cost sharing formula. This is a negotiated benefit and is subject to change with labor contract amendments.

For DSA represented employees, effective January 1, 2010 the County's share of the medical insurance premium, the "*employer contribution*" will be based on the same share as the County's contribution for active employees, currently based on the 80/20 cost sharing formula. This is a negotiated benefit and is subject to change with labor contract amendments.

For employees **hired prior** to January 1, 2005 the County currently pays the same medical insurance *employer contribution* for retirees as it does for active employees. Retirees currently pay the same medical insurance *employee/retiree contribution*. Therefore, if there is a change in the contribution rate for active employees, it will affect you as a retiree as well.

For employees **hired after** January 1, 2005, retirees must have 10 years of CalPERS service, 5 years of which must have been with Placer County before becoming eligible for a graduated retiree health insurance benefit. The percentage of the the medical insurance *employer contribution* starts at 50% with 10 years of CalPERS service, (5 years of which must have been with Placer County) and increasing 5% for each additional year of service to a maximum *employer contribution* at 20 years based on the 80/20 cost sharing formula. Different regulations apply to Disability Retirement. **Additionally, CalPERS will charge you 100% of the total premium for continued health coverage if you do not cancel coverage, COVERAGE WILL NOT AUTOMATICALLY STOP.**

Tahoe Rural Health and Tahoe Health premium subsidies are available to active employees only. Once you retire, the medical insurance premium rates become the same as for non-Tahoe based employees.

If you move out of state you may need to change medical plans based on what is available in the zip code where you move to and out of state premiums may be different than California premiums.

The retiree portion of the medical insurance will automatically be taken out of your CalPERS retirement check unless you notify CalPERS otherwise. You will need to notify CalPERS prior to the first of the month you wish to cancel your insurance.

CalPERS reviews the medical insurance plans and premiums annually. Medical insurance premium changes, employer contributions and employee/retiree premium contributions are subject to change each January. The new rates are typically available in the fall of the preceding year at Open Enrollment and normally adjusted on your January retirement check each year.

Medicare Coverage

When you turn age 65 you are eligible for Medicare coverage under Social Security. You will need to apply for your Medicare coverage through Social Security, failure to do so could affect your Social Security or Medicare benefits. Under CalPERS law you must enroll in a Supplement to Medicare or Managed Medicare plan. If your spouse or registered domestic partner is covered as a dependent on your CalPERS medical plan, this also applies to your spouse or registered domestic partner. Contact the CalPERS Health Benefit Services Division immediately after receiving your Medicare A & B cards to coordinate the effective date of your Medicare coverage. You will also be eligible to change medical plans at this time if you choose to do so. You do not need to wait for open enrollment to make a change when converting to a supplement to Medicare plan.

Retiree Dental Insurance Eligibility

The County contracts with Delta Dental for dental insurance for employees, retirees and their eligible dependents. The County remains your contact for information regarding your dental insurance benefits after retirement.

In order to be eligible for dental insurance benefits you must retire within **30 days** of leaving employment with Placer County. **If you were hired on or after October 15, 2010 you and your dependents are not eligible for dental coverage in retirement.**

If you were hired prior to October 15, 2010 you may continue to cover your spouse or registered domestic partner and eligible dependents as a retiree. Upon your death, your spouse or registered domestic partner and eligible dependents may be eligible for dental coverage under the federal COBRA continuation coverage rules.

If you are enrolled in dental insurance benefits at the time of your retirement the County will send you information giving you the option to elect to continue dental insurance coverage for yourself and any enrolled dependents.

If you or your dependents are not enrolled at retirement you can only enroll yourself or eligible dependents at the next Open Enrollment. Open enrollment is generally held in September/October and changes go into effect in January of the following year.

Retiree Dental Insurance Costs

(Hired prior to September 25, 2010)

The County currently pays the same dental insurance *employer contribution* for retirees as it does for active employees. Retirees currently pay the same dental insurance *employee/retiree contribution*. Therefore, if there is a change in the contribution rate for active employees, it will affect you as a retiree as well. This is a negotiated benefit and is subject to change with labor contract amendments.

When you are enrolled in dental insurance benefits you will send your *employee/retiree contribution* to the County. The County will not send you a bill. It is your responsibility to make timely monthly payments in order for your dental insurance benefits to remain in effect.

Delta Dental and the County review the dental insurance plan and premium annually. Dental insurance premium changes, employer contributions and employee/retiree contributions are subject to change each July.

Retiree's costs for DSA retirees are as follows:

Dental \$0.00/monthly	Retiree Only
Dental \$39.86/Monthly	Retiree and one (Retiree Paid)
Dental \$68.00/monthly	Retiree and family (Retiree paid)

Retiree's costs for PPEO retirees are as follows:

Dental \$0.00/monthly	Retiree Only
Dental \$68.00/monthly	Dependent Coverage (Retiree Paid)

Retiree's cost for Management and Confidential employees are as follows:

Dental \$0.00/monthly	Retiree Only
Dental \$39.86/Monthly	Retiree and one (Retiree Paid)
Dental \$68.00/monthly	Retiree and family (Retiree paid)

Retiree Vision Insurance

The County contracts with Vision Service Plan (VSP) for vision insurance for employees and their eligible dependents. This contract **does not** provide coverage to our retirees. However, you may be eligible for a limited period of time of vision insurance coverage under the federal COBRA and CalCOBRA continuation coverage rules. The retiree pays the full insurance premium for these benefits. The County Personnel Department is your contact for changes and payments.

If you are enrolled in vision insurance benefits at the time of your retirement, the County will send you information giving you the option to elect to continue vision insurance coverage for yourself and any already enrolled dependents under COBRA.

If you and/or any eligible dependents are not enrolled at retirement you are not eligible to enroll at retirement or during Open Enrollment.

Retiree - COBRA Vision Insurance Costs

If you elect to continue vision insurance through COBRA you will send your vision insurance payment to the County. The County will not send you a bill. It is your responsibility to make timely monthly payments in order for your vision insurance benefits to remain in effect.

VSP and the County review the vision insurance plan and premium annually. Vision insurance premium rates are subject to change each July.

The current costs are as follows:

Vision	\$9.20/monthly	Retiree Only (Retiree Paid)
Vision	\$ 23.40/monthly	Retiree + 1 dependent (Retiree Paid)
Vision	\$ 34.56/monthly	Retiree + 2 or more dependents (Retiree Paid)

Life & Accidental Death and Dismemberment Insurances

The accidental death and dismemberment and life insurance policies you have as an employee can be converted to a retiree-paid policy within thirty (30) days of your leaving employment with Placer County. Premiums are based upon your age and the amount of insurance you are retaining. You will need to contact the insurance broker, Primo Santini @ (916) 645-3333 for the necessary conversion forms.

If you are a member of the Placer County Deputy Sheriff's Association (DSA) and wish to continue your Union Central Life Insurance Policy you will be required to pay the entire premium. If you choose to continue this policy, you will receive an annual billing from the DSA. You need to complete the necessary form and return it to the

Placer County Deputy Sheriff's Association. For additional information and forms contact the DSA.

Long Term Care Insurance

If you are enrolled in the CalPERS Long-Term Care Program and have premiums deducted from your check, you will need to call the Program's customer service line at (800) 982-1775 to find out what steps you need to take to continue your premium payments after retirement.

Deferred Compensation Programs

Placer County offers voluntary deferred compensation programs under IRS code 457 and 401(k) through MassMutual and CalPERS. These plans enable eligible employees to set aside additional money for retirement on a tax-deferred basis.

If you have been participating in a deferred compensation program, you may elect to leave your money in the account until you reach age 70 and a half (70.5), at that time you will need to begin to take a monthly withdrawal from the account. CalPERS and MassMutual representatives will work with you to select the withdrawal option of your choice and get the paper work completed.

Your primary contacts are:

- The MassMutual: Jason Hughes 866-504-1182
- CalPERS: TBD 916-795-2294

Social Security

If you retire prior to your full Social Security retirement age your Security benefit may be permanently reduced from what was quoted on your annual

Social Security Statement. For more details and an updated estimate on how your benefit may be affected by an earlier retirement age you should contact your local Social Security office or go online at www.socialsecurity.gov.



SOCIAL SECURITY

11855 Edgewood Road
Auburn, CA 95603

SOCIAL SECURITY ONLINE – www.socialsecurity.gov

- Social Security is committed to giving the American public choices for conducting business with the agency.
- The Internet continues to be an increasingly popular option for many Americans. More than 344 million people in North America have internet access and older adults are among the fastest-growing segments of the Internet market.
- Providing self-help Internet applications for the public and for Social Security's business partners are ways of responding to public preferences for online services, managing growing workloads and maintaining Social Security's high standard of service delivery.
- Social Security has a variety of online services and information that the American people are using in increasing numbers.
- The Social Security website offers online services and program information for beneficiaries, persons applying for benefits, employers and the general public.
- Protecting the privacy of the American public is a high priority at Social Security. The agency makes new services available online only when it is confident that the public's privacy is guaranteed. Social Security uses the strongest commercially available encryption to ensure that a person's confidential information is security as it travels over the internet.

Vacation Leave, CTE, and Management Leave

Following are the choices you have regarding your Vacation Leave, CTE and/or Management Leave balances. You can choose from the options listed below or you can choose to do a combination of option 1 or 2. The options are:

1. **Cash-Out.** You can be paid lump sum for any Vacation Leave, CTE, and/or Management Leave balances remaining on your last day of employment. You will receive a check for any hours you have remaining multiplied by your hourly rate of pay (including any applicable incentives) as of your last day of employment.

In order to ensure that your accruals and balances are accurate, you will receive the check for the Cash-Out on the pay date for the pay period following your last pay period as an employee. For example, if you left County employment in pay period 1, you would receive your Cash-Out check on the pay date for Pay Period 2.

2. **Use on Payroll.** You can use it day for day on payroll prior to your retirement. When using Vacation Leave, CTE, and/or Management Leave on payroll, you continue to accrue additional Sick Leave and Vacation Leave hours.
3. **Place the Value of Vacation Balances in a 401(k) and/or 457.** You can place the value of vacation hours into either a 401(k) and/or 457 account up to the IRS yearly maximums amounts allowed. If you choose this option any value over the IRS annual limits must be cashed out.

If you have more than 10 years of County service, the maximum Vacation Leave balance you may accrue is 520 hours at any given time during the year. If you have less than 10 years of service the maximum accrual is 400 hours. These maximums are prorated for part-time employees.

Sick Leave

The use of your Sick Leave balance depends on the retirement formula you are covered by and the bargaining unit you are represented by. It should be noted the selection is irrevocable. (Per County Code Section 03.04.420(h))

Affective July 2, 2011:

Employees who are covered by the CalPERS Local Miscellaneous Retirement Formula (except Management and Confidential Employees):

The first 1500 hours of your sick leave balance will be converted to **The Retiree Paid Health Program**. In this program your sick leave balances will be used to pay for the retiree contribution of your and your covered dependents medical insurance.

Your sick leave balances up to 1500 hours will be converted to a dollar value based on your hourly rate of pay at the time of your retirement. The retiree contribution for medical insurance will automatically be deducted from your retirement warrant by CalPERS; the County will then reimburse you with a separate check every month for this deduction from your Retirees Paid Health account.

Please Note: The Retiree Paid Health Program **does not** cover your dental or vision insurance premiums and **does not** cover Medicare premiums taken from your Social Security check.

These funds do not accrue interest and are not refundable. The funds are available to you or your surviving eligible dependents to pay for the retiree contribution of the monthly medical insurance until the funds are depleted.

Any sick leave balances over 1500 hours will be converted to CalPERS service credit. The sick leave hours will be converted to sick leave days (1 day equals 8 hours). Two hundred fifty days (250) or 2000 hours equals one (1) year of service credit.

For example: 1000 hours divided by 8 hours = 125 days x .004 = .50 years of service credit

Employees in a Management or Confidential classification (except Safety Management):

All sick leave hours (100%) regardless of your balance will be converted to a Health Reimbursement Account (HRA) to cover premiums and IRS approved health expenses for the retiree and their spouse. Please see plan documents for details and approved expenses.

Employees covered by the CalPERS Local Safety Retirement Formula and/or represented by the Deputy Sheriff's Association can choose either option or a combination of these options:

Option 1: Use on Payroll. DSA represented and probation officers may use the number of Sick Leave hours you have accrued as of July 23, 2004 (November 24, 2006 for Correctional Officers, pay date December 8, 2006) on payroll prior to your last day of employment, and your CalPERS retirement. When using Sick Leave on payroll, you do not accrue additional Sick Leave and Vacation Leave, but your other benefits remain in effect. You will need to decide on your retirement date and then use your Sick Leave on a day for day basis just prior to your retirement date.

Option 2: Cash Out. If you have at least ten (10 years) of continuous Placer County service you may cash out your sick leave, according to the following formula:

Years of Placer County Service (determined by service hours)	Percent of accrued Sick Leave eligible for Cash Out
0-10 years	0%
10	50%
11	55%
12	60%
13	65%
14	70%
15	75%
16	80%
17	85%
18	90%
19	95%
20+	100% maximum

- Years of Service are counted in full years of continuous Placer County service and are not pro-rated for partial years (e.g., 10 years and 6 months of service will be considered 10 years). Years of service are determined by service hours, for example 20 years equals 41,600 service hours.
- Your Cash Out will be calculated by taking your eligible Sick Leave hours and multiplying the hours by your hourly rate of pay at the time of your retirement.

Department Notice

You must give a minimum of two weeks notice to retire in good standing with Placer County. However, most employees give notice several months prior to retirement to help facilitate adequate department staffing.

You will need to notify your department, **in writing** on what date you are planning to retire. This document should include your selection of how you plan to use your Sick Leave, Vacation Leave and/or CTO and Management Leave time. This document should be given to your Supervisor with copies to the Department Head and the Department Personnel Liaison. For your convenience a *Notice Form* template is located in Placer County's shared access V-drive in: V:\Personnel\Retirement\Department Notice letter.

Employment After Retirement

After you retire, you may want to go back to work or take a part-time job. There are some CalPERS rules you need to know regarding working after retirement so you don't jeopardize your CalPERS retirement benefits. In general, you may work without restriction for any private sector employer. However, there are work and earning limit restrictions if you have retired for disability. There are also time, wage and other restrictions involved if you work for an agency that contracts with CalPERS for retirement benefits. You should review the publication *Employment After Retirement* available from CalPERS for more information.

Working Extra-Help for Placer County after Retirement

If you are interested in working Extra Help with the County after retirement, there are CalPERS and County rules and process you need to know. These include:

- You are limited to working a maximum of 960 hours in a fiscal year (July - June)
- Before working Extra Help you must wait at least 180 following the pay period in which you retired (the pay period where you were last on payroll)
- You may not have collected unemployment insurance benefits within the previous 12 months for any employment based on prior employment with the same agency
- If you have collected unemployment insurance for work as a retired annuitant California retirement law prohibits your employment with a CalPERS employer for 12 months after your termination as a retired annuitant.
- If you are hired through a third party or temporary employment agency you are subject to the same employment restrictions as the PERL including maximum number of hours

Additional IRS and CalPERS restrictions apply if you retire prior to age 55. These include:

- You must wait 180 days after your retirement date before returning to work (except Public Safety Officers)
- Prior to your retirement you cannot have a written or verbal agreement to return to work

Congratulations on your pending retirement!